



**BURLINGTON NORTHERN RAILROAD**

LAW DEPARTMENT

3800 Continental Plaza  
777 Main Street  
Ft. Worth, Texas 76102  
(817) 878-2362  
File: 29050-MT

via FEDERAL EXPRESS

May 4, 1989

U.S. Environmental Protection Agency  
Region VIII  
999 18th Street, Suite 500  
Denver, Colorado 80202-2405

Attention: Rex Callaway, 8RC

Re: Silver Bow Creek/Butte Area Superfund Site  
Silver Bow County, Montana

Dear Mr. Callaway:

This letter, the following information, and enclosed documents constitute Burlington Northern Railroad Company's ("BNRR") response to the notice and 104e information request concerning the above-referenced site. Nothing in this response shall be construed as an admission by BNRR as to the truth or validity of any facts, conclusions, statements, or allegations contained in the notice. Further, nothing in this letter shall be construed as an admission of liability on BNRR's part for anything described or set forth in the notice.

It is my understanding that BNRR is being considered a potentially responsible party ("PRP") only in regard to the Butte Priority Soils Operable Unit. It is my further understanding that there are many PRPs at the site. Therefore, the information provided herein pertains only to BNRR's alleged involvement at the site.

I apologize that the review of BNRR's insurance coverage has taken longer than expected because of the volume of paper, the number of policies, and the number of years during which alleged releases may have occurred and, thus, the number of years during which coverage may be applicable. However, as we discussed in our telephone conversation, I will attempt to provide you with a more complete summary or listing of BNRR's policies. I will contact you shortly to give you an indication of when this information can be submitted.

RESPONSES

- 1(a) Burlington Northern Railroad Company ("BNRR")  
3800 Continental Plaza  
777 Main Street  
Fort Worth, Texas 76102
  - (b) Great Northern Railway Company ("Great Northern")  
- no longer in existence
  - (c) Northern Pacific Railway Company ("Northern Pacific")  
- no longer in existence
2. Copies of maps utilized by BNRR's Title Services Department to determine BNRR's ownership of the property are enclosed. The maps have been separated into two groups: one concerning property formerly owned by Great Northern; the other concerning property formerly owned by Northern Pacific.

The property indicated in yellow in both groups is property in which BNRR still owns an interest. The property indicated in pink is property in which BNRR or its predecessors once had an interest. The date on which BNRR or its predecessors obtained a particular parcel of land and the date of disposition are indicated in the schedule on each map.

The properties indicated by red cross-hatching on Northern Pacific map Nos. 22, 23, 24, 35, 36, and 37 are encumbered by a Purchase and Sale Agreement between BNRR and Montana Western Railway Company, Inc. ("Montana Western"), dated August 4, 1986. Montana Western has submitted, or offered to provide, a copy of such Purchase and Sale Agreement to the United States Environmental Protection Agency ("EPA") in connection with this matter.

BNRR has an 8 to 10-inch stack of original deeds, judgment deeds, acquisition documents, sales contracts, purchase agreements, easements, licenses, permits, bills of sale, title memoranda, and abandonments which can be made available to you for review.

3. BNRR operated as a common carrier railroad.
4. To the best of BNRR's knowledge and available documents, no sampling or studies have been conducted by BNRR and no hazardous substances have been spilled on or released from BNRR's properties at the site.

5. Directors:

Grinstein, Chairman  
Edmund W. Burke  
William E. Greenwood

Elected Officers:

Gerald Grinstein  
President, Chief Executive Officer, and Chief  
Operating Officer  
3800 Continental Plaza  
777 Main Street  
Fort Worth, Texas 76102

Edmund W. Burke  
Senior Vice President, Law & Government Affairs;  
and Secretary  
3800 Continental Plaza  
777 Main Street  
Fort Worth, Texas 76102

Meredith L. McManus  
Senior Vice President, Administration  
2900 Continental Plaza  
777 Main Street  
Fort Worth, Texas 76102

P. Jackson Bell  
Executive Vice President, Finance; and Treasurer  
2900 Continental Plaza  
777 Main Street  
Fort Worth, Texas 76102

Employees or persons involved in a substantial manner with activities and decisions regarding the properties could include every person employed in the operating departments and property management departments and every division engineer, field engineer, and roadmaster at BNRR, Great Northern, and Northern Pacific over the last 85 or more years. It would require an extensive interviewing process and a lengthy and time-consuming investigation of years' worth of documents to provide the information requested. However, BNRR will supplement this response if more information is developed during the course of further investigation of this matter.

6. Anne M. Blythe, Attorney  
Law Department  
Burlington Northern Railroad  
3800 Continental Plaza  
777 Main Street  
Fort Worth, Texas 76102  
Telephone: 817/878-2362

Melvin L. Burda  
Manager, Environmental Projects  
Burlington Northern Railroad  
9401 Indian Creek Parkway, 14th Floor  
Overland Park, Kansas 66201  
Telephone: 913/661-4439

7. See response to question No. 6.
8. From interviews with Messrs. Pat Barkley and Bob Urback, who have been regional engineers and field engineers, respectively, for BNRR and its predecessors in this area since the mid-1950s, and from interviews with Steve Simek, Metals Market Manager, and Don Blaylock, Products Manager, both with BNRR's Industrial Products Department, it was determined that BNRR and its predecessors did not use or haul any materials from the Berkeley Pit since at least the mid-1950s. The employees' knowledge does not extend past the mid-1950s.

Northern Pacific operated its own quarries to supply railroad bed ballast. One quarry, McQuarry quarry, is a hard-rock blasting quarry located twenty (20) miles east of Missoula, Montana. The other quarry is a river-washed gravel quarry located south of the Livingston, Montana, area. In a one-half (1/2) mile area directly in front of what was Northern Pacific's depot building, Northern Pacific used ballast supplied from a pit located in the Valley (not the Berkeley Pit). This material did not perform well as ballast, and this pit material was not utilized further. To the best of BNRR's knowledge, these were the only sources of ballast for BNRR's and its predecessors' rail beds.

Pat Barkley is currently the Division Engineer for the Montana Division, located in Havre, Montana. Bob Urback retired in late 1985 as a Senior Field Engineer and is currently living in the Missoula, Montana, area.

9. Great Northern Pacific & Burlington Lines, Inc., was incorporated in Delaware on January 12, 1961. On March 2, 1970, Great Northern Railway Company and Northern Pacific Railway Company, both of which were created in the mid-1800s, were merged into Great Northern Pacific & Burlington Lines, Inc., pursuant to an Agreement of Merger dated as of January 26, 1961. Also on March 2, 1970, Chicago, Burlington & Quincy Railroad Company merged into Great Northern Pacific & Burlington Lines, Inc., by merger agreement dated January 12, 1961. On or about March 2, 1970, the name of Great Northern Pacific & Burlington Lines, Inc., was changed to Burlington Northern Inc. On May 14, 1981, the name of the company was changed to Burlington Northern Railroad Company.

BNRR is unaware of the date and place of incorporation of Great Northern Railway Company, Northern Pacific Railway Company, and Chicago, Burlington & Quincy Railroad Company, but none of the companies were in existence after March 2, 1970.

Burlington Northern Inc. was incorporated in Delaware on March 2, 1970. On November 21, 1980, the St. Louis-San Francisco Railway Company was merged into Burlington Northern Inc. On May 14, 1981, Burlington Northern Inc., changed its name to Burlington Northern Railroad Company, and it became a wholly-owned subsidiary of Burlington Northern Inc. On December 31, 1981 and December 31, 1982, Colorado & Southern Railway Company and Fort Worth & Denver Railway Company, respectively, were merged into Burlington Northern Railroad Company. Burlington Northern Inc., which is the parent company of Burlington Northern Railroad Company, was incorporated in Delaware on March 30, 1981, under the name Burlington Northern Holding Company. On May 14, 1981, the company's name was changed to Burlington Northern Inc. Thus, the Burlington Northern Inc., that was a predecessor to Burlington Northern Railroad Company is no longer in existence.

10. BNRR is a Delaware corporation. The names and addresses of the corporate officers are listed in response to question No. 5.

BNRR is a wholly-owned subsidiary of BNI, which owns all of the outstanding stock of BNRR. BNRR has merged with various railroads, as described in response to question

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make any sense.  
or many  
Burlington  
Northern Inc.  
are they referring  
?*

No. 9. BNRR has interlocking directorates with the following companies:

Burlington Northern Inc.  
Burlington Resources, Inc.  
Delta Air Lines  
Fort Worth Chamber of Commerce  
Mike Mansfield Foundation  
Seafirst Bank

11. Burlington Northern Inc. ("BNI") is the parent company of BNRR. BNRR has an ownership interest in the following entities:

The Belt Railway Company of Chicago	8.33%
Burlington Northern Dock Corporation	
Burlington Northern (Manitoba) Limited	
Burlington Northern Railroad Holdings, Inc.	
Burlington Northern Worldwide, Inc.	
Camas Prairie Railroad Company	50%
Davenport, Rock Island and North Western Railway Company	50%
Electro Northern, Inc.	
Houston Belt & Terminal Railway Company	33.33%
Iowa Transfer Railway Company	25%
Kansas City Terminal Railway Company	16.67%
Keokuk Union Depot Company	40%
Longview Switching Company	33.33%
M T Properties, Inc.	37.77%
Northern Radio Ltd.	
Paducah & Illinois Railroad Company	33.33%
Portland Terminal Railroad Company	40%
Terminal Railroad Association of St. Louis	12.5%
Trailer Train Company	5%
Western Fruit Express Company	
The Wichita Union Terminal Railway Company	33.33%
Winona Bridge Railway Company	

BNI is a Delaware corporation.



Elected Officers:

Gerald Grinstein  
President and Chief Executive Officer  
Edmund W. Burke  
Senior Vice President, Law; and Secretary  
P. Jackson Bell  
Executive Vice President and Chief Financial  
Officer

Interlocking Directorates:

Burlington Northern Inc.  
Burlington Northern Railroad Company  
Burlington Resources, Inc.  
Delta Air Lines  
Fort Worth Chamber of Commerce  
Mike Mansfield Foundation  
Seafirst Bank

Subsidiaries:

BNI Leasing Company	
Burlington Northern Foundation	
Burlington Northern Railroad Company	
CBR Distribution Corporation	50%
M-R Holdings Acquisition Company	
National Exchange, Inc.	49%

12. BNRR has insurance policies with numerous American, Lloyd's, and London insurance carriers providing Comprehensive General Liability, Environmental Impairment Liability, and Directors' and Officers' policies. The effective dates of certain policies begin before 1950, and coverage extends to the present.

The various policies overlap and provide layers of coverage. The various policies provide policy limits from \$1 million per occurrence to \$153.5 million through layered coverage.

BNRR's summary of insurance coverage and policies is voluminous, consisting of thousands of pages and documents. In lieu of providing copies of the policies, BNRR will make the policies available for review at BNRR's Fort Worth, Texas, offices. Additional insurance information will be provided at a later time. If further or more detailed information is required, please

contact Anne M. Blythe at the address provided in response to question No. 6 above.

13. BNRR's 10-Ks for the years 1980 through fiscal year ending December 31, 1988, are enclosed herewith. BNRR's 10-Q for the first quarter 1989 will be forwarded when available. These documents include the financial statements, balance sheets, income statements, profit and loss statements, change in financial condition and retained earnings documents.

BNRR files consolidated U.S. corporation income tax returns. The volume of paper required to respond to this request would be overwhelming. In lieu of providing copies of the tax returns, please see Notes to Consolidated Financial Statements, item No. 8, page 25, and Section 4, Changes in Method of Accounting: Income Taxes, page 21 of BNRR's 10-K for year ending 1988, which lists the federal and state income taxes paid for years 1988, 1987, and 1986. For earlier years, see the earlier 10-Ks submitted herewith. If more particular information is required, please contact Anne M. Blythe at the address provided in response to question No. 6 above.

Furthermore, see the sections entitled "Financial Condition and Liquidity" under Item 7, page 12, and "Long-Term Debt and Lease Obligations", section 7, page 23 of BNRR's 1988 10-K for a summary of BNRR's loans and financing agreements. If more detailed information is required, please contact Anne M. Blythe at the address provided in response to question No. 6 above.

14. None to our knowledge. Any releases, waivers, or limitations for pollutants contained in any purchase, sale, or lease documents between BNRR and Montana Western would be contained in the document offered to the EPA by Montana Western.



U.S. Environmental Protection Agency

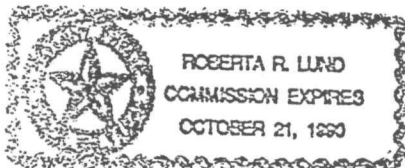
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I hereby certify that I am authorized to respond to this request on behalf of BNRR; that the response is complete and contains all documents and information responsive to the EPA's request, to the best of my personal knowledge; and that I have conducted a complete and thorough review of all information and sources available to me which are relevant to the request.

Anne M. Blythe  
ANNE M. BLYTHE  
Attorney

SUBSCRIBED AND SWORN to before me on this 4th day of May, 1989.



Roberta R. Lund  
Notary Public, State of Texas

My Commission Expires: 10-21-90

AMB:rl  
11/AMB2

Enclosures